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INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

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July 15, 2009

**TO:** Members of the House Ethics and Elections Committee

**FROM:** Nadine Nosal, Legislative Coordinator, UAW MI CAP

**SUBJECT:** House Bills No. 4245, 4284 and 4997 – Various Campaign Finance Reform Bills

The International UAW represents nearly 400,000 active and retired members and their families in both the private and public sectors throughout Michigan. We support the three bills before this committee today, House Bills No. 4245, 4284 and 4997.

House Bill No. 4245 adds an exemption to an already existing list of exemptions having to do with public bodies or their representatives. This exemption would permit a public employee to contribute to a political action committee by a voluntary payroll deduction if the employee's collective bargaining unit pays full compensation to the public body for the use of their resources to process this deduction.

Currently many public employers provide voluntary deduction services to employees from the employee's paychecks. Some examples are various loan payments (i.e., car, mortgage, etc.) or charitable contributions (i.e., United Way) at no cost to the employee.

This exemption is similar to these other employer provided deduction services in that the employee would voluntarily sign up for the PAC deduction and decide the amount of that deduction. It, however, requires that the employer would have to agree to implement this type of payroll deduction through the collective bargaining of the labor contract. Also the represented employees, through their vote to accept or reject the collectively bargained contract, have agreed they would like the option of this voluntary employee payroll deduction.

This bill further states that if this new exemption is allowed the collective bargaining unit must, in order to implement this collectively bargained item, "provide full compensation to the public body for the use of the resources" needed to accomplish the task. Thus, in the end, there will be no cost to the public employer since it is fully reimbursed by the employees' collective bargaining unit.

House Bill No. 4284 deletes seven words "at least once in every calendar year" from the existing Michigan Campaign Finance Act. This phrase pertains to the current requirement that an "automatic" and "payroll deduction plan" must have an annual signed employee authorization card to use this employee's voluntary contribution for various Michigan political committees.

This annual signature requirement applies to both for-profit and non-profit businesses as well as labor organizations. It is a very time consuming and staff intensive process to contact each employee on a yearly basis and have them sign a new authorization card.

If a new authorization card is not obtained, the "automatic" pay roll deduction continues. However, the money collected, without an annual signature card, cannot be used as mentioned above. Michigan is the only state to have this restrictive procedure of an annual signature requirement.

Again, I'd like to emphasize that this is a voluntary deduction that can be stopped at any time by the employee. By striking the phrase "at least once in every calendar year" the law will revert back to the way that the campaign finance law previously handled these monies and would bring Michigan more in line with other states.

House Bill No. 4997 is an omnibus campaign finance reform bill that includes the items discussed in the previous two bills.

The bill, however, addresses various other campaign finance issues such as changes in campaign statement filing deadlines; radio, television or electronic ad requirements and campaign contribution reporting. House Bill No. 4997 would return the reporting requirement for campaign contributions back to "\$20 or more" in donations and contributions. The tracking of these small contributions of less than \$20 is labor intensive and very time consuming for the candidate and his/her campaign treasurer. Thus, energies and resources could be used elsewhere in their campaign. Additionally, donors would not have to do any paperwork if their contribution totaled less than \$20. As more is required of the political candidate and their campaign staff this would be a way to make those requirements and record keeping duties easier.

All three of these campaign finance reform bills contain cost savings for business, labor organizations and candidates and also makes it easier to involve citizens in the political process while easing the paperwork needed to be kept or filed. These bills are a win-win for all involved.

It is for these reasons UAW asks for your support of House Bills No. 4245, 4284 and 4997.

Thank you.

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cc. Richard Long